



DEPARTMENT OF COMMERCE

International Trade Administration

[C-570-971]

Multilayered Wood Flooring from the People's Republic of China: Final Results of Countervailing Duty Administrative Review; 2020

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The U.S. Department of Commerce (Commerce) continues to determine that the mandatory respondents, Riverside Plywood Corporation (Riverside) and Jiangsu Senmao Bamboo and Wood Industry Co., Ltd. (Jiangsu Senmao), and 18 other producers and/or exporters of multilayered wood flooring (wood flooring) from the People's Republic of China (China), received countervailable subsidies during the period of review (POR) January 1, 2020, through December 31, 2020.

DATES: Applicable [Insert date of publication in the *Federal Register*].

FOR FURTHER INFORMATION CONTACT: Dennis McClure or Jonathan Schueler, AD/CVD Operations, Office VIII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-5973 or (202) 482-9175, respectively.

SUPPLEMENTARY INFORMATION:

Background

Commerce published the *Preliminary Results* of this administrative review in the *Federal Register* on December 22, 2022, and invited interested parties to comment.¹ On January 30,

¹ See *Multilayered Wood Flooring from the People's Republic of China: Preliminary Results and Partial Rescission of Countervailing Duty Administrative Review; 2020*, 87 FR 78644 (December 22, 2022) (*Preliminary Results*), and accompanying Preliminary Decision Memorandum (PDM).

2023, we received case briefs from the following interested parties: Riverside,² Jiangsu Senmao, Lumber Liquidators Services, LLC (including various Chinese exporters and producers) (Lumber Liquidators and Foreign Exporters/Producers), the Government of the People's Republic of China (GOC), and the American Manufacturers of Multilayered Wood Flooring (the petitioner).³ Fine Furniture (Shanghai) Limited and Double F Limited (collectively, Fine Furniture); and Zhejiang Longsen Lumbering Co., Ltd., Huzhou Chenghang Wood Co., Ltd., Hunchun Xingjia Wooden Flooring Inc., Huzhou Fulinmen Imp. & Exp. Co., Ltd., Zhejiang Fuerjia Wooden Co., Ltd, and Dun Hua Sen Tai Wood Co., Ltd, (collectively, CTL Group) submitted letters in lieu of case briefs on January 30, 2023, concurring with the arguments of other respondent parties.⁴ On February 13, 2023, we received rebuttal briefs from Riverside, Jiangsu Senmao, and the petitioner.⁵ Fine Furniture and Lumber Liquidators and Foreign Exporters/Producers submitted letters in lieu of a rebuttal case brief on February 13, 2023, incorporating the rebuttal comments of other respondent parties.⁶ On May 3, 2023, we held a public hearing to discuss the interested parties' comments.⁷

² Cross-owned affiliates are Baroque Timber Industries (Baroque Timber), Suzhou Times Flooring Co., Ltd., and Zhongshan Lianjia Flooring Co., Ltd.

³ See Petitioner's Letter, "Case Brief," dated January 30, 2023; see also GOC's Letter, "Case Brief," dated January 30, 2023; Riverside's Letter, "Administrative Case Brief," dated January 30, 2023; Jiangsu Senmao's Letter, "Case Brief," dated January 30, 2023; and Lumber Liquidators' Letter, "Case Brief," dated January 30, 2023.

⁴ See Fine Furniture's Letter, "Letter in Lieu of Case Brief," dated January 30, 2023; see also CTL Group's Letter, "Letter in Lieu of Case Brief," dated January 30, 2023.

⁵ See Petitioner's Letter, "Rebuttal Brief," dated February 13, 2023; see also Riverside's Letter, "Rebuttal Brief," dated February 13, 2023; and Jiangsu Senmao's Letter, "Rebuttal Brief," dated February 13, 2023.

⁶ See Fine Furniture's Letter, "Letter in Lieu of Rebuttal Brief," dated February 13, 2023; see also Lumber Liquidators and Foreign Exporters/Producers Letter, "Letter in Lieu of Rebuttal Brief," dated February 13, 2023.

⁷ See Memorandum, "Scheduling of Public Hearing," dated April 17, 2023; see also Submission of Neal R. Gross and Co., Transcript of Public Hearing, filed May 10, 2023.

Scope of the Order

The product covered by the *Order*⁸ is multilayered wood flooring from China. For a complete description of the scope of the *Order*, see the Issues and Decision Memorandum.⁹

Analysis of Comments Received

All issues raised in the parties' briefs are addressed in the Issues and Decision Memorandum. A list of the issues addressed is attached to this notice at Appendix I. The Issues and Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at <https://access.trade.gov/public/FRNoticesListLayout.aspx>.

Changes Since the *Preliminary Results*

Based on our analysis of the case and rebuttal briefs and the evidence on the record, we made certain changes from the *Preliminary Results*. These changes are explained in the Issues and Decision Memorandum.

Methodology

Commerce is conducting this review in accordance with section 751(a)(1)(A) of the Tariff Act of 1930, as amended (the Act). For each of the subsidy programs found countervailable, we find that there is a subsidy, *i.e.*, a government-provided financial contribution that gives rise to a benefit to the recipient, and that the subsidy is specific.¹⁰ The Issues and Decision Memorandum contains a full description of the methodology underlying

⁸ See *Multilayered Wood Flooring from the People's Republic of China: Countervailing Duty Order*, 76 FR 76693 (December 8, 2011) (*Order*); see also *Multilayered Wood Flooring from the People's Republic of China: Amended Antidumping and Countervailing Duty Orders*, 77 FR 5484 (February 3, 2012) (*Amended Order*); and *Multilayered Wood Flooring from the People's Republic of China: Final Clarification of the Scope of the Antidumping and Countervailing Duty Orders*, 82 FR 27799 (June 19, 2017).

⁹ See Memorandum, "Issues and Decision Memorandum for the Final Results of the 2020 Countervailing Duty Administrative Review of Multilayered Wood Flooring from the People's Republic of China," dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

¹⁰ See sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and section 771(5A) of the Act regarding specificity.

Commerce's conclusions, including any determination that relied upon the use of adverse facts available pursuant to sections 776(a) and (b) of the Act.

Rate for Non-Selected Companies Under Review

The statute and Commerce's regulations do not address the establishment of a rate to be applied to companies not selected for individual examination when Commerce limits its examination in an administrative review pursuant to section 777A(e)(2) of the Act. However, Commerce normally determines the rates for non-selected companies in reviews in a manner that is consistent with section 705(c)(5) of the Act, which provides the basis for calculating the all-others rate in an investigation. Section 705(c)(5)(A)(i) of the Act instructs Commerce, as a general rule, to calculate the all-others rate equal to the weighted average of the countervailable subsidy rates established for exporters and producers individually investigated, excluding any zero or *de minimis* countervailable subsidy rates, and any rates determined entirely on the basis of facts available.

There are 18 companies for which a review was requested and not rescinded, and which were not selected as mandatory respondents or found to be cross-owned with a mandatory respondent. For these non-selected companies, because the rates calculated for the participating mandatory respondents in this review, Riverside and Jiangsu Senmao, were above *de minimis* and not entirely based on facts available, we calculated a rate by weight-averaging the calculated subsidy rates of Riverside and Jiangsu Senmao using their publicly ranged sales data for exports of subject merchandise to the United States during the POR.¹¹

This is the same methodology Commerce applied in the *Preliminary Results* for determining a rate for companies not selected for individual examination. However, due to changes in the calculations for Riverside and Jiangsu Senmao, we revised the non-selected rate accordingly. Consequently, for the 18 non-selected companies for which a review was requested

¹¹ See Memorandum, "Calculation of the Non-Selected Rate for the Final Results," dated concurrently with this notice.

and not rescinded, we are applying an *ad valorem* subsidy rate of 13.04 percent.

Final Results of Administrative Review

We determine the countervailable subsidy rates for the mandatory and non-selected respondents under review for the period of January 1, 2020, through December 31, 2020, are as follows:

Producer/Exporter	Subsidy Rate (Percent)
Riverside Plywood Corporation and its Cross-Owned Affiliates ¹²	17.06
Jiangsu Senmao Bamboo and Wood Industry Co., Ltd.	3.26
Non-Selected Companies Under Review ¹³	13.04

Disclosure

Commerce intends to disclose the calculations and analysis performed for these final results of review within five days of the date of publication of this notice in the *Federal Register*, in accordance with 19 CFR 351.224(b).

Assessment Rates

Pursuant to 19 CFR 351.212(b)(2), Commerce will determine, and CBP shall assess, countervailing duties on all appropriate entries of subject merchandise in accordance with the final results of this review, for the above-listed companies at the applicable *ad valorem* assessment rates listed. We intend to issue assessment instructions to CBP 35 days after the date of publication of these final results of review. If a timely summons is filed at the U.S. Court of International Trade, the assessment instructions will direct CBP not to liquidate relevant entries until the time for parties to file a request for a statutory injunction has expired (*i.e.*, within 90 days of publication).

Cash Deposit Instructions

In accordance with section 751(a)(2)(C) of the Act, Commerce also intends to instruct CBP to collect cash deposits of estimated countervailing duties in the amounts shown for each of

¹² Cross-owned affiliates are Baroque Timber (Zhongshan) Industries, Suzhou Times Flooring Co., Ltd., and Zhongshan Lianjia Flooring Co., Ltd.

¹³ See Appendix II.

the respective companies listed above on shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this administrative review. For all non-reviewed firms subject to the *Order*, we will instruct CBP to continue to collect cash deposits of estimated countervailing duties at the most recent company-specific or all-others rate applicable to the company, as appropriate. These cash deposit requirements, effective upon publication of these final results, shall remain in effect until further notice.

Administrative Protective Order

This notice also serves as a reminder to parties subject to administrative protective order (APO) of their responsibility concerning the destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of the return or destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a sanctionable violation.

Notification to Interested Parties

We are issuing and publishing these final results in accordance with sections 751(a)(1) and 777(i)(1) of the Act.

Dated: May 23, 2023.

Lisa W. Wang,
Assistant Secretary
for Enforcement and Compliance.

Appendix I

List of Topics Discussed in the Final Decision Memorandum

- I. Summary
- II. Background
- III. Scope of the *Order*
- IV. Non-Selected Companies Under Review
- V. Period of Review
- VI. Subsidies Valuation Information
- VII. Changes Since the Preliminary Results
- VIII. Use of Facts Otherwise Available
- IX. Analysis of Programs
- X. Discussion of Comments
 - Comment 1: Whether to Apply Adverse Facts Available to the Export Buyer's Credit Program
 - Comment 2: Whether to Apply Adverse Facts Available Regarding the Countervailability of the Provision of Electricity for Less Than Adequate Remuneration
 - Comment 3: Whether to Apply Adverse Facts Available to Specificity Regarding the Countervailability of the Provision of Inputs for Less Than Adequate Remuneration
 - Comment 4: Whether Individually-Owned Suppliers Are Government Authorities
 - Comment 5: Whether Commerce Should Treat Pine Integrated Boards as Veneers
 - Comment 6: Whether Commerce Should Weight International Tropical Timber Organization Pricing Data Differently for the Wood Input Benchmarks
 - Comment 7: Whether to Include Certain Harmonized Schedule Subheadings in the Glue, Paint, and Plywood Benchmark Price Calculations
 - A. Wood Glue and Adhesives Benchmark: Whether to Include 3906.10
 - B. Paint, Primer, and Stain Benchmark: Whether to Exclude 3208.10; 3208.90; and 3209.90
 - C. Plywood Benchmark: Whether to Exclude All UN Comtrade Data and Use ITTO Prices for Specific Grades
 - Comment 8: Whether to Include UN Comtrade Data for China and ASEAN in the Input for Less Than Adequate Remuneration Benchmarks
 - Comment 9: Whether to Include Domestic ITTO Pricing Data in Tier Two World Market Benchmark Prices
 - Comment 10: Whether to Rely on Certain Ocean Freight Benchmark Data Used to Calculate the Ocean Freight Benchmarks
 - Comment 11: Whether to Use the Respondents' Inland Freight Costs for the Inland Freight Benchmark
 - Comment 12: Whether Commerce Correctly Calculated Baroque Timber's Backboard Veneer Benefit
 - Comment 13: Whether Commerce Made Ministerial Errors in the Subsidy Rate Calculations Pertaining to Various Provision of Inputs for Less Than Adequate Remuneration Programs
- XI. Recommendation

Appendix II

Non-Selected Companies Under Review

1. Benxi Flooring Factory (General Partnership)
2. Dalian Kemian Wood Industry Co., Ltd.
3. Dalian Penghong Floor Products Co., Ltd.
4. Dalian Qianqiu Wooden Product Co., Ltd.
5. Dalian Shumaike Floor Manufacturing Co., Ltd.
6. Dun Hua Sen Tai Wood Co., Ltd.
7. Dunhua Shengda Wood Industry Co., Ltd.
8. Fine Furniture (Shanghai) Limited
9. Fusong Jinlong Wooden Group Co., Ltd.
10. Fusong Jinqiu Wooden Product Co., Ltd.
11. Fusong Qianqiu Wooden Product Co., Ltd.
12. Huzhou Jesonwood Co., Ltd
13. Jiangsu Guyu International Trading Co., Ltd.
14. Jiashan HuiJiaLe Decoration Material Co., Ltd.
15. Kingman Wood Industry Co., Ltd.
16. Metropolitan Hardwood Floors, Inc.
17. Samling Elegant Living Trading (Labuan) Ltd.
18. Zhejiang Fuerjia Wooden Co., Ltd.

[FR Doc. 2023-11473 Filed: 5/30/2023 8:45 am; Publication Date: 5/31/2023]